Profiling for Better Services

Report on the European Profiling Seminar

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1 The EU Profiling Seminar

More than 80 guests from 25 European Public Employment Services and from Australia attended the Profiling Seminar in Nürnberg initiated by the EU Commission following an invitation by the Bundesagentur für Arbeit and its Institute for Employment Research from 12 to 14 January 2005.

In the plenary and four working groups the participants learnt about 12 different countries’ approaches to profiling which gave rise to a lively discussion, comparisons and an assessment of their transferability to improve employment services. Already during the seminar bilateral meetings and contacts were agreed to intensify the exchange of experience and turn the new insights into national innovations.

2 Programme

In the call for the seminar the organizers had already indicated the multiple ways in which the term ‘profiling’ is used. One can distinguish three ideal types of profiling with different purposes, tools, and methods and the presentations showed that the various national employment services apply them in different combinations.

A) Profiling as a diagnostic tool for the assessment of strengths, weaknesses, and opportunities of unemployed persons

The EU 1998 Employment Policy Guidelines\(^1\) require the Member States to pursue a ‘preventive’ labour market policy to avoid long-term unemployment. Early intervention and personalized reemployment plans require a careful analysis of the strengths and weaknesses of the jobless to specify employment opportunities and to target labour market policy instruments for their reintegration. Such personal profiling is part of the dialogue between placement agent and jobseeker and leads to the person’s profile which will be the basis for his/her personal action plan for reemployment and will allow successful matching against vacancy profiles.

The assessment of labour market opportunities and the personalization of action plans requires a much more detailed description of the applicants’ skills and knowledge than has been the rule hitherto when a rough characterization of mostly objectively measurable features sufficed. Previously a jobseeker’s profile, at least for the purposes of job matching, generally consisted of no more than the classification of the occupation sought, educational attainment, age, gender, and vocational experience.

The employers’ increasing demand for skills in special technologies and in the social and communications field, i.e. the ability to communicate and to work in a team, which are not captured by certifications of vocational training makes higher demands on the degree of discrimination of the jobseeker profiles. Profiling must cover job skills and social skills in addition to the classifications of occupation and educational attainment to allow a more specific placement, a more sophisticated assessment of opportunities, and better compensatory support. Already such skills as the ability to describe career objectives, the awareness and use of suitable searching and application techniques are among the abilities that decide about labour market opportunities and must therefore be considered in action plans and profiling.

The interview with the jobseeker must be laid out to arrive at a detailed profile on which placement efforts can be based. The organization must not only provide the necessary time for this, but also guidelines to assure the required quality level. The Employment Services use tools

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\(^1\) European Commission (1998): The European Employment Strategy
like questionnaires and manuals for placement agents and jobseekers for this purpose. Computer systems have been or are being upgraded to capture customer profiles and permit a more complex matching of jobseekers and vacancies.

The approaches to innovating profiling as a diagnostic tool for labour market opportunities chosen by France, the Netherlands, Belgium, Sweden, Germany, and Norway were presented during the seminar.

**B) Profiling as a tool for customer segmentation and the determination of individual assistance (targeting scope and type of assistance)**

The description of profiling activities of 12 countries made it very clear that profiling as a diagnostic tool is merely a preliminary stage to achieve the PES' real purpose, i.e. the targeting of individual tailored interventions in order to (re)integrate the jobless into the labour market fast and with lasting success.

In the Anglo-Saxon countries 'personalized' also means moving away from group strategies, i.e. interventions based on the assignment to a target group e.g. young jobseeker, handicapped person, single parents.

The methods for allocating the jobseekers to the different action programmes shift from administrative rules (benefits eligibility) and the placement agent/counsellor's 'subjective assessment' to personalized processes combined with statistics-based programme selection to support the placement agent's assessment.

Starting from personal jobseeker profiles and based on the evaluation of their labour market policy the PES are developing a second type of profiling in cooperation with researchers. Streaming and controlling systems are developed and implemented that shall assess the potential of special placement and support strategies for a successful re-integration as a function of his or her skills, experience, and social situation as defined by the profiling. The evaluation results of the past reintegration success of the different labour market policy instruments are used as guidance for the choice of integration strategies and instruments in the present.

Depending on its focus this second stage of profiling is called customer segmentation or targeting. The focus is not only on the jobseeker and the placement agent anymore, but on clustering customers with similar profiles in segments with similar needs and similar assistance requirements as well as on matching the support needed with the labour market policy instruments available.

Customer segmentation groups the jobseekers by labour market opportunities and assistance needs. One classification criterion is their „distance from the labour market“ (e.g. Kansmeter, NL). A second classification method is by the degree of autonomy in the job search. The differentiation is between people that are in a position to search for suitable jobs with the self-help systems of the employment offices, in newspapers or via the internet, and such jobless people that require a placement agent's assistance and guidance, possibly even permanent coaching by a case manager, due to poor labour market opportunities or as a result of language problems and/or poor qualifications.

The main issue for targeting is which labour market policy option will be most successful and/or cost effective in bringing about the employment of specific customer groups. Since micro data of jobseekers are increasingly relevant in determining the conditions for success and efficiency there is yet another strong link to their profiles.

Customer segmentation and targeting are something like meta profiling, starting from individual
profiles and using them for systematic process streaming in the employment agencies.

Customer segmentation and targeting rely on detailed statistics and micro data on the job-seekers' status which are analysed in econometric models. For practical work also scoring tables are sometimes used to weight the different parameters for decision-making.

C) Profiling as an instrument for the allocation of resources

For a third category of profiling methods the most important aspect is the allocation of the employment agencies' scarce financial and staff resources. Similar as for customer segmentation and targeting, statistics and customer profile micro data are analysed and used for the systematic distribution of resources. Rules for decisions are defined which weight the customers' problems and needs and earmark certain proportions of the resources for certain customer groups or regional agencies.

This approach is complementary to personal profiling and customer segmentation both of which start from the assistance needs. Fixing quotas for financial and staff requirements based on customer profiles defines rules of the game for the extent of support that will actually be granted.

This type of profiling is associated with the functions of operational and financial controlling in the employment agencies.

In reality, these three idealized types are complementary and overlap in the practices described during the seminar. It might be feasible that in the course of the next steps these three approaches will be progressively integrated.

3 Profiling during the reform process: Keynote speeches

Frank-J. Weise, the CEO of the Bundesagentur für Arbeit, in his opening address, described „Profiling“ as one element for good governance to attain the employment policy objectives of the Lisbon process. He expected the Bundesagentur to learn from the comparison of the national approaches for its reforms that are aimed at providing the right type of adequate assistance for its different customer groups in the form of specific action programmes and products. This entails a sensible application of scarce financial resources to achieve a maximum effect with the contribution and tax funds employed. The early activation of people that do not need help must be seen just as critically as their late activation which will cause the payment of high earnings replacement benefits.

Antonis Kastrissianakis, Director Employment and European Structural Funds Coordination of the European Commission, stressed the role of profiling as part of the European Employment Strategy.

The European Employment Strategy includes four priorities
- increasing the flexibility of employees and enterprises;
- integrating more people in the labour market for longer periods;
- more and better investments in vocational education and promoting lifelong learning;
- implementing reforms more effectively by improving administrative practice.

The European Employment Strategy is the labour market component of the Lisbon process with the objectives:
• to better enable Europe to generate innovations and to integrate them in economy and society,
• to strengthen Europe's competitiveness,
• to create more and better jobs and
• to improve social cohesion.

Profiling is critical for all of these, because it calls for a precise definition of the present demand and a prognosis of future demand. It is a tool for increasing adaptability, improving job matching, and regional and occupational mobility. It is part of the commitment to promote lifelong learning, because it helps to identify the individual needs and expectations and to find the right solutions. An early identification of training needs is important for careers and the prevention of long-term unemployment. Profiling is also essential for better administrative practice in labour market policy.

A 2001 Commission study identified three procedures for the early determination of needs in the employment administrations:

1. Placement agents' assessment after interviews with the jobseekers
2. Screening to establish whether someone belongs to one or several target groups
3. Risk assessment of special characteristics of the jobseekers with an econometric model.

Since each of the approaches has its pros and cons their combination would be ideal to maximize the advantages and minimize the disadvantages. The evaluation of the approaches and procedures should lead to improved information systems and more efficient models to refine the early diagnosis methods of strengths and weaknesses.

Jutta Almendinger, Director of the Institute for Employment Research, identified the decreasing coordination of education and employment systems as one reason for the higher demand for adequate profiling by the placement agents.

In Germany there used to be a hierarchical segmentation of the three level school system and its certificates which was mirrored by a similar hierarchy of starting positions and careers in industry. The education system provided the profiling in the form of matching the skills and knowledge of the school leavers with the job requirements, therefore employers could largely rely on the education system's certificates.

The expansion of education blurred the outline of the education pyramid; doubts were cast on the quality of German school leaving certificates, as was recently exemplified by Germany's poor performance in the PISA survey.

In countries with less hierarchically structured education systems school leaving certificates do not play such an important role for the entry into the labour market. In this case the enterprises do the „profiling“ to select new recruits. In Germany the Bundesagentur für Arbeit progressively took on the task of making up for the training deficits left by the school and training systems which is manifested in the high number of young people with little or no training at all. This results in high unemployment rates for low-skilled workers.

On the basis of profiling the Bundesagentur currently classifies the jobless into four groups:

1. Jobless persons who need no support, because of a high probability that they will find a new job fast;
2. Jobless persons who need to be supported by motivation and activation
3. Jobless persons who need vocational training and finally the
4. jobless persons who require special attention, because they are very much at risk of be-
coming long-term unemployed.

From the researcher’s perspective assistance directly after the onset of unemployment is either too early or too late: too early because of the significant risk of deadweight effects and misdiagnosis, too late, because the improvement of employability “on-the-job” is more promising and “lifelong learning” can be organized better within companies. Allmendinger therefore proposed to start profiling from the qualification needs of employees inside firms to prevent unemployment from occurring.

### 4 Country reports

#### 4.1 Australia: JSCI / JSA by Robert Lipp (DEWR, Australia)

In his keynote speech Robert Lipp provided a survey of the experience and results of 10 years of profiling in Australia. The introduction of the „Job Seeker Classification Instrument“(JSCI) in 1994 entailed a switch from a target-group based to an individual "risk-based" approach. JSCI is a statistical diagnosis tool to assess the personal risk of long-term unemployment (LTU) based on fourteen differently weighted factors such as age and gender, work experience, training. This formalized profiling was introduced to curb the rising cost of long-term unemployment and to effectively manage the scarce resources. The tool was also used to allocate customers to programmes or after the 1998 introduction of the “Job Network” (network of private reintegration services) to allocate the unemployed to certain providers and services within the network (Job Search Assistance for less serious cases and „Intensive Assistance“ for those at risk).

In 2003 the JSCI was revised during a comprehensive evaluation within the scope of a new „Active Participation Model“. Since 2003 those assessed as being at risk of becoming long term unemployed at the time of registering have access to intensive assistance (case management). Those not at risk will receive intensive "job search training" after 3 months and unemployment training and „intensive support customised assistance“ after 12 months. For especially difficult cases (about 14% of the unemployed) a supplementary profiling tool (JSA= JSCI Supplementary Assessment) has been developed.

One measure of the JSCI’s effectiveness was its forecasting accuracy for the outflow from unemployment for all groups of transfer payment beneficiaries. JSCI turned out to be quite accurate in that respect. Currently the prognosis for the outflow rates of specific groups (e.g. aborigines, handicapped people) is being fine-tuned. Furthermore the JSCI was enhanced by a ‘motivation segment’.

So far no micro economic evaluation studies on the impact of the JSCI compared to a counter factual situation (no profiling tool and no services based on profiling) have been made. The impact studies available for the JSCI compare the integration results of programme participants with those of non-participants in the previous six months. The findings indicate that the persons are not always assigned to the right programme. Especially for the 15-24-year-olds earlier intervention seems advisable. This is why young people are now assigned to 'job search training courses' directly after their registration as unemployed.

Ten years of experience with profiling suggest the following conclusions: Detailed profiling information is very helpful for the allocation of resources and an important help in deciding about adequate and customised intervention. Profiling is clearly preferable to other alternatives (e.g. target group approach), although it is by no means infallible. Thus the JSCI/JSA led to an effective management of resources: more resources and more intensive assistance for those ‘at risk’ and less for the ‘less serious cases’.
4.2 Germany: The Virtual Labour Market by Volker Rebhan (BA DE)

V. Rebhan introduced two profiling formats currently used by the Bundesagentur für Arbeit (BA):

a) Profiling for customer segmentation and as a part of the action programmes for the different customer groups

As a first step an automatic classification tool assigns the jobseekers to four defined customer groups (market customer, counselling customer - activate, counselling customer-support and intensive service customers). The classification tool will (in future) be based on individual data (e.g. gender, age, job experience) which are provided by the internal placement, counselling and information system - VerBIS). Together with the job-exchange and a job robot VerBIS is part of the ”Virtual Labour Market”. The tool proposes the assignment to one of the four customer groups based on the input data. This is the starting point for the placement agent to determine the action that needs to be taken in this particular case and to develop a customized action plan. In doing so, the adviser may change the group allocation. Support requirements are being differentiated and relate to motivation/commitment, skills/qualifications, obstacles and specific labour market conditions, these parameters stem from competence research: subject-related methodological, social, action and personal skills. As a second step the placement agent's assessment determines the final customer group assignment and the next steps, which aim at an effective and efficient deployment of staff and activation instruments. For each customer group dedicated action programmes are available (placement, change of perspectives, overcoming obstacles to employment, training, intensive assistance).

b) Profiling in the form of matching applicant and job profiles in the job exchange of the "Virtual Labour Market" (VLM)

The "Virtual Labour Market" (VLM) is a central database that acts as the technological enabler for including a large number of characteristics in the job matching and for creating personalized applicant profiles for the customers. Also soft skills can be captured and included in the matching. The matching consists of an automatic comparison of jobseeker profiles and vacancy profiles, search results are listed both for jobseekers and employers.

4.3 Netherlands: Kansmeter by Manon Fretz (CWI NL)

In 1999 the Netherlands introduced the Kansmeter as a tool to determine the ‘distance’ between jobseeker and the labour market. The personal situation, the occupational, education and training profiles and the ability for independent job search are included in the profiling (job search profile). The jobseeker prepares for the interview with a questionnaire. A structured discussion of abilities, vocational experience and expectations takes place according to the STARR interviewing method. The placement agent's assessment of the different elements is supported by a checklist and a decision-making matrix. As a result, possibly after a second interview with a more intensive assessment, the jobseekers are classified into four groups according to their distance to the labour market ("phases").

Experience has shown that up to now Kansmeter focused excessively on a theoretical position in the labour market and on spotting problems. Consequently many jobseekers are transferred to the unemployment insurance, which is responsible for integration programmes, too early, i.e. before any placement was attempted and without evaluating their experience during the job search.

In future at the onset of unemployment the main focus will be on the question: "Is the customer capable of looking for a job?", only in exceptional cases will the answer be negative and thus
give rise to the responsibility of the insurance (customer stream B). As a rule, priority will be
given to the placement by CWI as the "fastest track to work". This might run parallel to voca-
tional training provided by the insurance (customer stream A).

The experience from job search and placement efforts is to be continuously fed back into the
profiling to gain a more reliable perspective than at the first interview. After 3, 6, and 9 months
the classification in customer streams A or B shall be reviewed and possibly changed.

The right type of assistance for clients in stream A is to be determined by simple targeting. This
is based on the search behaviour as described in a check list, the labour market position that
results from the ratio of jobseekers to vacancies in the accessible labour market segment. A
'chance explorer' (internet-based) provides support by offering statistical information about
vacancies, applicants, number of unemployed persons who found similar jobs during the last six
months and promising search channels.

Recently a new tool has been developed for the job seekers in the form of a workbook which
contains the search profile, the action plan, the applicant's CV and helps him or her to file all
applications, the replies to them and his or her search activities in general. The folder supports
the search strategy and at the same time documents the customer's activities for the CWI. Also
those looking for a job independently must regularly contact the CWI.

The further development of the Kansmeter in the Netherlands moves toward dynamic profiling
and better coordination of job search and integration programmes. Quality and transparency are
improved by the tools for applicants and placement agents. There is a shift from early activation
by integration programmes in case of potential reemployment problems to activation during the
job search. This is a consequence of the "deactivation" effect that was observed during the
integration programmes.

4.4 United Kingdom: UK activation programme by Keith Walton (JCP UK)
Keith Walton explained the JCP's plans to boost the efficiency of the proven "Job Search First"
strategy and to activate the recipients of incapacity benefits, a group that had generally not been
included hitherto. JCP is testing customer segmentation based on customer profiles defined by
the counsellors and statistical methods.

1. A field test will run until mid-2005 to determine how well the counsellors can recognize
those customers that will be back in employment fast and those that will need a long time.
They are classified into the customer groups 'green', 'yellow', and 'red' which during the
test has no consequences for activation.
2. The data from the Work and Pensions Longitudinal Survey (WPLS) are used to forecast
the probability of fast reemployment and to understand the quality of statistical forecasts.
The findings are expected for the autumn of 2005.
3. The WPLS results are also applied to model the most efficient forms of assistance for
the jobseekers.
4. The pilot programme Building on New Deal (BoND) wants to determine how the job-
seekers' expectations for finding and keeping a job, that are critical for finding work, may
be used in the development of reemployment strategies. A Customer Assessment Tool
(CAT) helps the counsellors.
5. A classification according to the ability to find work fast is being tested for people that are
filing new applications for incapacity benefits to determine the support to be offered by
JCP.
6. A customer survey on the use of internet, JCP kiosks, and SMS texting triggered con-
siderations of diversifying the methods of communicating with customers.
These projects are testing and preparing new methods of customer segmentation to improve the employment administration's efficiency, to save money and manpower without jeopardizing the priority of active job search.

4.5 France: Projet d’Action Personnalisé by Mireille Fric (ANPE FR)
In 2001 ANPE introduced the “Projet d’Action Personnalisé (PAP)” to develop personalized job search plans for jobseekers. The concept provides for six steps to be taken together by the placement agent and the jobseeker during their meetings to prepare the action plan:

1. Preparation of the interview with a questionnaire for first or update interviews,
2. building confidence, establishing the rules of the game,
3. Problem analysis with the profiling tool GAPP (Guide de l’Analyse partagée à la Proposition),
4. define priorities for the integration together,
5. define action steps,
6. Summary and evaluation of the interview results.

The structured interviews shall help to develop a clear idea of the jobseekers skills, suitable jobs and search strategies together with him or her, i.e. to set up a „project“. According to the jobseeker's degree of autonomy and the precision of the "project" the customers are assigned to seven groups which define the type of services provided. There is self-service for autonomous customers, specific support or permanent guidance for defined periods, either for the job search or the preparation of the „project“.

Every six months at the latest the tasks assigned in the action plan and the group assignment are verified and reviewed. When unemployment persists for a longer period counselling and support can be intensified.

First evaluations show a clear acceleration of integration and better stability of the employment taken up. Surveys of the jobless attested their high degree of satisfaction with the quality and professionalism of the contacts.

In the future PAP’s efficiency is to be enhanced. The following improvements are planned:

1. Currently the availability of the applicants is based on their status in the past. Positive experience was gained with the applicants' statements regarding their availability in the next month (early information on non availability due to job interviews, short jobs, hospital) and will be systematically included in the communication in the future.
2. One intends to distinguish the customer streams to cut down on the time expended between the first registration as unemployed and the registration's renewal.
3. A simple classification by age, repeated unemployment, supply/demand ratio in the occupation sought shall permit an adjustment of the initial counselling effort and faster placement.
4. Internet communication shall be expanded for low-risk unemployed persons to obtain current information on their status and search activities.
5. The intensity of contacts with the placement agent is to be varied according to customer groups.

4.6 Denmark: Job Barometer by Jakob Dam Glynstrup (AMS DK) and Michael Rosholm (University of Aarhus DK)
In December 2004 Denmark introduced the "Job Barometer" to standardize the profiling by the
employment offices responsible for the insured unemployed and the local governments who are responsible for unemployed persons that do not receive benefits.

The Job Barometer is part of a special profiling concept that includes the following tools:
- customer questionnaire to prepare for the interview with the placement officer
- customer account listing the periods during which public benefits were received
- Job Barometer
- dialogue manual for the placement officer

The Job Barometer is a statistical model calculating the probability of finding employment within the next six months based on the customer account information which provides the placement officer with an overview of the labour market opportunities. The results are translated into a traffic light colour code for good, average and poor chances. The Job Barometer is meant to standardize the assessments made by different staff members and organizations and in this way to facilitate communication and an exchange between the partners.

The customer questionnaire helps the jobseeker to prepare for the profiling interview and supplies personal data not contained in the customer account.

The dialogue manual is a kind of checklist for the placement officer to work through the different topics systematically:
- the individual's perception of his or her prospects on the labour market
- vocational qualifications and experience
- personal and social skills
- his or her financial situation
- and the condition of his or her health

The degree to which jobseeker characteristics and labour market requirements match is recorded in five stages for the assessment. The assessment is repeated at regular intervals by continuous profiling.

Thus the Job Barometer helps to assess the opportunities and allocate the services creating a uniform standard of comparison for placement agents in AMS and communal agencies which shows jobseekers their position on the labour market.

4.7 Workshop 1: Profiling and professional orientation for young people

4.7.1 Germany: Profiling in career guidance by Karen Schober (BA D)

The career guidance services distinguish between the "assessment of potential" when counselling school-leavers to determine the interests and aptitude for certain occupational fields as an orientation and "profiling" to assist with the placement in suitable apprenticeship training.

The career guidance services combine the assistance provided for the first career choice with placement in apprenticeship positions. In the process of guidance and counselling the assessment of the general ability/readiness of a young person for in company training comes first before any placement activities are started.

In occupational orientation and for the young peoples' occupational choice the "assessment of potential" is becoming increasingly important. A variety of tools are available on the market for self-assessment. The BA provides "Explorix" and "Mach's richtig" to the young people free of charge. The Psychological Service of the Employment Agencies uses tests for choosing an occupation or a course of studies according to interests and abilities. Only after the personal
interview and sometimes a test or assessment has confirmed the aptitude for specific apprenticeship training according to the requirements described in the BERUFEnet database (http://www.arbeitsagentur.de) the young person is registered as seeking a training place.

Profiling is used to assess the placement opportunities in relation to the abilities and other personal characteristics of the applicants, the training requirements of the employers and the specific market conditions. The counsellor will assess nine dimensions with several sub-categories.

Since many companies offering training are dissatisfied with the training maturity, knowledge level, and social skills of the trainees the standards for the requirements in the dual training system are currently evaluated and revised in a cooperative effort between the social partners and the schools.

As part of the "Training Pact" between the Federal Government and the employers a “skills check” was introduced for those who had failed to find a training place at the end of 2004, hoping to revive the efforts to find adequate training in this way. This skills check has been developed by the BA's Psychological Service and is based on the test for occupational choice.

4.7.2 Hungary: Profiling of new entrants to the labour market by András Vladiszavlyev, (OMMK, Hungary)

Hungary is currently testing a profiling tool as part of a PHARE project to assess the risk of long-term unemployment. A statistical model for estimating the expected duration of unemployment is being tested, which refers to gender, age, general and vocational educational attainment, last wage earned, and place of residence for modelling.

The system assists placement agents to classify customers as

1. job-seekers who can find employment themselves with self-information systems,
2a. jobseekers who will find a job with the help of the placement agents and job search plans,
2b. jobseekers who lack skills and knowledge, competitiveness or employability and who therefore need special help.

Qualification, mobility, motivation, attitude to work, appearance, and social background are to be considered for the classification.

Special attention is given to young unemployed people to give them guidance and support for their career start. Within 2 months a profile and within 3 months a job search plan is to be prepared for all young people under 25. Independent of the profiling results these young people shall be provided with services for activation within six months.

Further assistance is provided by a wide variety of information services. Computer systems show statistics of labour market developments: the number of graduates from certain types of schools, the demand and supply for jobs for all unemployed people as well as job entrants. An internet-based service for occupational orientation is under preparation.
4.8 Workshop 2 Individual assessment

4.8.1 Belgium: Automatizing detection of guidance needs by Jean Pierre Deroo, Peggy Van Den Steen (VDAB)

For prevention and a better cost efficiency the Flemish VDAB decided to develop an effective self-help tool for vocational orientation (INDICATE) for those jobseekers who do not want personal counselling by a placement agent. For this purpose VDAB set up a database (CO.BR.A) which includes 600 occupations with about 6000 skills (of these 80 general and 2,500 key skills). This large number of skills is grouped in about 600 skills clusters which the user can query in the form of tables. An algorithm links the skills filtered out of CO.BR.A by the user with suitable job proposals (max. 20). To verify the demand for these occupations on the labour market (employability check) they are linked with the VDAB's vacancy database (vacancies reported in the last 12 months). Finally the user can select one or several jobs for which he or she wants to apply (personal file of the job-seeker). Prior thereto the jobseeker must comply with some additional requirements (factors of discrimination) which are discussed with a placement agent, sometimes over the phone.

At the time of registration the 'personal skills file' compiled with INDICATE is matched against the vacancies in a "Quick Scan". The matching is run every week and the applicant receives suitable vacancies. INDICATE (Integration of Individual Development Indicators Covering Competencies and Aspirations in guidance strategies Towards Employment) is a project supported under the EQUAL programme. It is still in the test phase and up for evaluation at the end of 2005.

4.8.2 Norway: Self service on the internet by Kristin Kvanvig and Tor Sandvik

Since spring 2004 jobless persons can register as unemployed with AETAT.no over the internet which makes them independent of office hours. Employers can enter vacancies and search among all unemployed persons for candidates, not only among those that have uploaded their CV.

Data of the input into the internet platform and ARENA's internal databases are simultaneously exchanged. The jobseekers can control which of their data are to be disclosed to the employers (anonymous CV without a name or the names of previous employers). Vacancies entered by employers are checked for compliance with the standards before being entered into the system.

The jobseekers' profiles are automatically matched against the vacancies and suitable job offers are emailed. Several search profiles and interesting vacancies can be saved on a private page which the employers can use to contact anonymous applicants.

Also the registration required to receive benefits can be made via the internet. At the end of 2004 about 40% of the jobseekers made use of the internet registration, younger and better skilled applicants more frequently than older or low-skilled ones.

Employers are increasingly using the internet for recruiting.

Some problems are perceived for those unemployed people who do (can) not use the internet, because they will not receive information about vacancies or only too late.

A law will enter into force in July 2005 which entitles each jobseeker to an analysis of his or her need for assistance upon registration. This evaluation, as well, is offered in the form of an internet questionnaire with immediate response. If the person is assigned to the "Jobseeker Service" this is automatically accepted, other classifications trigger an invitation for an interview within three weeks to verify the classification.
AETAT tries to improve both simple assessment tools as well as such based on psychological test. Much time is saved in the placement service and by the jobseekers with the new form of access via the internet, it also enhances the acceptance of AETAT, especially by younger jobseekers. Profiling will be important also for the upcoming reforms of the employment administration, public insurance and social welfare administrations to reach the target groups that need to be activated.

4.9 Workshop 3 Organizational implications

4.9.1 Sweden: Logbook Profiles by Samuel Engblom (AMS Sweden)

The Swedish Employment Service reformed to come to uniform standards of service, provide legal security and increase efficiency. Its services were clustered in nine groups (7 for jobseekers, 2 for employers). AMS' accessibility is optimized by an equally strong expansion of the communication channels "personal contact at the local employment office", telephone and internet.

Internet communication will become quite significant in the future. The finished prototype of the system is to be tested in six local offices at the end of 2005. Jobseekers receive a personal website "My Page" including the elements "My Individual Action Plan" and "My Labour Market". The website is used to establish and record contacts with AMS, to define search profiles, to send out applications and record search activities. AMS must compile "My Individual Action Plan" together with the customer within four weeks and revise it every six months. The services offered to the jobseeker are described and his or her obligation for searching and contacting are laid down. The website consists of the following parts:

- "My Jobs" includes the automatically generated placement proposals which the jobseeker must follow up are shown and at the same time he or she may save the vacancies that he/she found himself/herself;
- "My activities" is a log of the actions agreed between the jobseeker and AMS and their outcomes;
- "My contacts" is used to record the contacts with AMS by type and a memo on the outcome by the placement agent;
- "My CV" contains the applicant's standardized resume which is used for matching and
- "My profile" which is the search profile, e.g. the applicant's preferred occupation or region.

"My Labour Market" provides information about the segment of the labour market that corresponds to the applicant's profile. Statistics on employer requirements and search profiles and methods of successful applicants can be made available.

In the future, the evaluation of the internet activities (logs) shall provide information on sufficiently active search behaviour, suitable search channels and compliance with the action plan. By comparing the action plans of different employment offices quality shall become comparable and uniform standards shall be guaranteed to increase AMS' efficiency.

The internet approach "My page" is a communication platform for applicant and AMS and for the job search. The evaluation of the information will permit a dynamic observation of different behavioural and structural profiles for changes over time and a suitable adjustment of the services provided.
4.9.2 Austria: Screening, Segmentation and Organizational Reform by Georg Waller (AMS Austria)

When Austria's AMS reoriented its counselling and placement services (1999-2003) it decided against statistically defined customer segmentation, instead, and based on expert surveys, it introduced a new three zone model to serve the jobseekers. At the core of the new organizational model is the subdivision or 'segmentation' of the customer group „jobseekers“ according to different (objective) problems and (subjective) service needs. Thus the allocation to the segments "information", "service or counselling" and "intensive assistance" is at first based on the jobseeker's request (labour market related information, assistance for the job search or need for intensive individual guidance and support and programme participation). The first routing of the customer flow is based on determining the individual customer's requests. During the first interview in the service zone the individual's problems are defined and placement strategies are discussed. Placement opportunities are verified with an "Instant Matching" (Reality Check) and based on this "rough profiling" the next service strategies are determined which are bindingly agreed in the action plans (since 2005). Thus the final decision on the zone classification and the intensity of service required by the particular jobseeker rests generally with the placement agent in Austria.

All jobseekers that are unemployed for longer than 3 months will be passed on to the counselling zone. The following groups also count as counselling customers

• persons with significant physical, mental, psychological or social handicaps;
• lack of vocational orientation or qualification and insufficient potential for self-help;
• unsolved problems regarding care for others and
• young people with insufficient educational qualifications.

The next step in the counselling zone is a more in-depth profiling to establish the basis for customized services and the use of programmes.

After the evaluation of the pilot phase of the zone model showed positive results it was rolled out to all local employment offices between 2001 and 2003. During the pilot phase the average duration of unemployment could be shortened without additional staff resources and despite increasing unemployment. The number of outflows in less than 3 months increased, the average duration of benefit processing was shortened and support activities clearly increased. The expenditure for programmes was increased, however, by 15.5% between 2001 and 2003.

4.10 Workshop 4: Evaluation studies

4.10.1 Switzerland: SAPS for effective measures by Thomas Ragni (Seco, CH)

The idea behind SAPS (= Statistically Assisted Programme Selection) which was developed jointly by the Swiss Employment Service (Seco) and St. Gallen University is not so much that of profiling than that of an effective and efficient "targeting" system. Specifically this means that SAPS is not identifying the characteristics of jobseekers who had a high LTU risk in the past to provide intensive service to current jobseekers with the same 'profile', rather the purpose is to identify those programmes and actions that proved to be of maximum efficiency in the past for each specific 'combination' of characteristics. SAPS assumes that the relative programme efficiency for particular individuals is different for each stage in their working lives and for each environmental condition („individual heterogeneity of effect“).

Thus SAPS is an 'expert system' that aims at maximizing the efficiency of the allocation to different programmes. SAPS computes a special recommendation for each jobseeker according to 'employability indicators' (EI) which is then made available to the placement agent. The EI indicate the probability of finding a job within the next 12 months, if person Y attends programme X as determined by SAPS.
An optimization problem is modelled, i.e. the system intends to optimize the impact on the Swiss PES' four effectiveness indicators by calculating the expected outcome in relation to a specific combination of characteristics. The preliminary study on SAPS' effects in 2003 showed that the reintegration rate with SAPS was 16% better than for assignments to programmes without SAPS. In a pilot study (April-October 2005) SAPS is tested in 16 regional agencies and the results are compared to those of a control group (assignment without SAPS). Based on the results of this evaluation study a decision on a general introduction of SAPS in 2006 will be made.

4.10.2 Germany: Evaluating early identification by Helmut Rudolph (IAB, DE)

In 2000 the Federal Employment Services tested the reliability of risk forecasts for long-term unemployment in three employment offices. The experiment compared the assessment of the placement agents with those of a statistical model. The placement agents used a checklist to predict the potential risk for about 12,000 unemployed persons with respect to qualifications, motivation, personal characteristics, and social background and then made an overall assessment on their risk of becoming long-term unemployed. This was used in combination with a probability score for long-term unemployment computed by a statistical model to divide these persons into two groups: those at risk and those without perceivable risk. High-risk candidates were randomly assigned to a control group or a group that was offered case management for more intensive assessment and support in finding a new job right after they became unemployed. Since not all of these candidates were willing to participate in the voluntary case management, this group was divided in participants and non-participants. The purpose of the test was to examine

1. how precisely long-term unemployment can be predicted by a placement agent or by the selected statistical model and
2. whether early case management assistance will speed up reemployment.

The evaluation findings after one and after two years show that both the assessment by the placement agents and by the statistical model can distinguish different types of jobless people. Certainly there are some miss-classifications which can be attributed to the fast diagnosis in the pilot study or to luck or coincidence.

However, the duration of unemployment was not decreased by case management. After two years there was only an insignificantly higher number of people employed in the case management group than in the control group. But the proportion of long-term unemployed was higher among the case management customers. The unemployment of the persons assigned to the risk group that did not participate in the case management ended significantly earlier and they became less frequently long-term unemployed. After one year they were employed only slightly more often, though; after two years there was no difference between the two groups anymore. That the non-participants’ unemployment ended so fast can in part be explained by a selection effect, because the group includes persons who already had a prospective employment or found a job fast. Also, the control effect that led to cancellations of unemployment registrations is obvious, because the non-participants were found not available for placement.

The simple means used in the pilot test seem to be capable of distinguishing the different risk levels and can certainly be improved by fine-tuning. The services provided did not have a preventive effect, possibly because training programmes tend to defer job search activities temporarily.
5 Conference results

The concepts and tools presented at the profiling seminar prove that the PES continue to reform in order to upgrade their services, to adapt better to the jobseekers' and employers' needs and to increase efficiency. Different concepts and tools of profiling are used for this purpose.

A number of observations follow from the profiling seminar's presentations in the plenary and the working groups as well as the discussions. In a concise form they are reflected in the statements during the final panel discussion:\(^2\): What did the participants learn and what can they take home from the seminar?

(Description: Person = statement final panel discussion; country: = presentation)

1. Precise and differentiate definition of the term “Profiling“

It is insufficient to call profiling a diagnosis tool for the assessment of the risk of long-term unemployment which is applied by the assessment of a placement agent, screening, or statistical models. The following terms have to be linked with profiling: Assessment, diagnosis, targeting, segmentation, streaming, statistical profiling, control by profiles.

The roles of profiling are much more diverse. Profiles cannot only be compiled for risk assessment, but also to determine the adequate service, to deploy resources and programmes efficiently and even to select the right type of communication channel (S, UK).

Profiling is a combination of customer-oriented approach and process-oriented organization of business processes. One might even abandon the term profiling in favour of that of customized services (Fretz).

The following survey summarizes the different approaches presented at the seminar by purpose, tools and methods and the current stage of implementation. Some of the concepts are already used in the field, while others are in the testing phase or under preparation. These profiling approaches are an integral part of the respective national labour market policies which might include additional elements and instruments not mentioned here.

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\(^2\) Participants in the final panel discussion:

Heinrich Alt, Director Operations Bundesagentur für Arbeit (BA), Germany
Manon Fretz, Centrum voor Werk en Inkomen (CWI) Netherlands, Advisor for product development and innovation
Mireille Fric, Agence Nationale pour l’Emploi (ANPE), France, Director for the development of products and services of the Direction Général
Frank Kavanagh, EU-DG Employment and Social Affairs, Director Unit Public Employment Services
Robert Lipp, Department of Employment and Work Relations (DEWR), Australia, Director of the Evaluation and Programme Performance Branch.
Keith Walton, JobCenterPlus, Vereinigtes Königreich, Manager for Policy Issues
Ulrich Walwei (Chair), Deputy Director of the Institut für Arbeitsmarkt- und Berufsforschung, Nürnberg.
<table>
<thead>
<tr>
<th>Country</th>
<th>Project</th>
<th>Purpose</th>
<th>Status</th>
<th>Methods/tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUS</td>
<td>JSCI/JSA</td>
<td>Diagnosis; Targeting; Allocation of resources</td>
<td>Introduced in 1994; Continuous improvement</td>
<td>JSCI/JSA= Statistical diagnostic processes; based on factors predicting LTU risks; Weighting of factors based on assessments by experts and stakeholders</td>
</tr>
<tr>
<td>NL</td>
<td>Kansmeter</td>
<td>Diagnosis Segmentation</td>
<td>Introduced in 1999, Revision / ctd. development of the concept</td>
<td>Questionnaire STARR interviewing method Decision-making matrix Placement officer manual Chance Explorer</td>
</tr>
<tr>
<td>FR</td>
<td>PAP</td>
<td>Diagnosis Segmentation</td>
<td>Introduced in 2001 Evaluation Ctd. development</td>
<td>Registration questionnaire Updating questionnaire GAPP diagnostic method Reemployment plan PARE</td>
</tr>
<tr>
<td>UK</td>
<td>JCP Jobseeker strategy, Incapaciaty benefits</td>
<td>Segmentation statistical targeting</td>
<td>considerations of how to improve efficiency and target new customer groups</td>
<td>Segmentation Research Field study 2005 WPLS data analysis Targeting research BoND assessment tool (pilot 10/2005)</td>
</tr>
<tr>
<td>DK</td>
<td>Job Barometer</td>
<td>Segmentation exit probability</td>
<td>Introduced in Dec. 2004</td>
<td>Statistical model</td>
</tr>
<tr>
<td>DE</td>
<td>VAM</td>
<td>Customer flow management, Matching</td>
<td>Prototypes introduced Ctd. development underway</td>
<td>Classification tool Job Exchange, Job Robot, VerBIS</td>
</tr>
<tr>
<td>DE</td>
<td>Occupation</td>
<td>Diagnosis Matching</td>
<td>introduced, under review</td>
<td>Tests Decision-making matrix for career guidance officers</td>
</tr>
<tr>
<td>HU</td>
<td>Profiling trial</td>
<td>Segmentation LTU prediction</td>
<td>Test</td>
<td>Statistical model</td>
</tr>
<tr>
<td>B</td>
<td>INDICATE Employability-Check</td>
<td>Profiling skills Self-Service</td>
<td>Test phase Rollout planned for end of 2005</td>
<td>Skills database and skills clusters</td>
</tr>
<tr>
<td>N</td>
<td>Internet job exchange</td>
<td>Entering a profile via internet matching</td>
<td>introduced planned: Internet-based customer segmentation</td>
<td>Linking of internet and AMS databases</td>
</tr>
<tr>
<td>SE</td>
<td>MyPage</td>
<td>Internet profiles</td>
<td>Prototype Pilot end of 2005 in 6 LEO</td>
<td>Statistical analysis of activities</td>
</tr>
<tr>
<td>A</td>
<td>3-zone model</td>
<td>Customer flow management</td>
<td>Introduced in 2003</td>
<td>Expert assessment</td>
</tr>
<tr>
<td>CH</td>
<td>SAPS</td>
<td>Targeting; Efficient allocation of programmes</td>
<td>Pilot phase until 10/2005</td>
<td>Statistical method based on administrative data</td>
</tr>
<tr>
<td>DE</td>
<td>Profiling trial</td>
<td>Segmentation LTU prediction</td>
<td>Trial</td>
<td>Statistical model Evaluation</td>
</tr>
</tbody>
</table>
2. „Profiling“ to optimize business processes

Profiling is not an end, it is a possible means to offer higher quality, more efficient and economical services for different customer groups (K. Walton). Profiling provides a possibility to understand better who the customers are, why they are at risk of becoming long-term unemployed and how they can be put back into work in a more focused way.

As a second step the profiling must trigger a clearly defined business process in which customers are segmented and a standardized action programme as a third step. In the fourth step the PES must define the expected activities together with the customer and set them out in a reintegration agreement and finally it must be possible to control and verify the results (H. Alt).

Customer segmentation can be by services offered or by contact intensity or alternatively by contact channels.

An exchange of profiles defined according to agreed and universally accepted standards can facilitate the business processes across different cooperating partners in labour market policy (PES, insurance companies, municipalities, programme organizers) when these responsibilities are distributed (NL: CWI, insurance, municipalities; DK: AMS and municipalities).

3. Integration of profiling in organisational and quality policies

Profiling can only fully contribute to making business processes more efficient, if it is part of a general organisational strategy of customer streaming and quality assurance policy, specific to customer groups. Even the best of diagnosis will be useless, if the services defined cannot be assigned to certain groups of jobseeker profiles or if the resources for the services agreed in the reintegration agreements are not available. While profiling forms the basis for customized services, the streaming policy ensures the correct sequence of the interventions.

These streaming and quality assurance policies define the discretion the placement agents have with regard to customer segmentation, the timing and intensity of interventions. The trend is towards staged processes, where priority is given to activation for job search and the intensity of support increases gradually with the duration of unemployment (e.g. F, NL, UK).

4. Dynamic application of profiling

One-time profiling at the beginning of the unemployment spell entails the danger of misjudgements, unsuccessful job-search strategies and the assignment of unsuitable services. The risk consists, both, in overemphasizing weaknesses while underestimating strengths and an excessively positive assessment of opportunities. Thus the policies presented provide for verifications of profiles and reintegration plans at regular intervals to permit their review and strategic adjustments after the initial steps have been taken. To verify a customer's assistance needs dynamic profiling draws on the experience gained from all previous job applications or activation measures. Therefore such streaming policies define (maximum) revision intervals for the profiles (NL: 3, 6 and 9 months after the onset of unemployment; F and DK: max. every 6 months). Alternatives are under consideration that will differentiate the frequency of customer contacts and thus the updating of the profiles by customer groups (F).

Another option to use profiling flexibly concerns the scope of a diagnosis and the input required for it. The Kansmater distinguishes between the „intake“ interview with the standard instrument and a potential „qualified intake“ interview if there is additional need for diagnosis. Germany knows short profiling and in-depth profiling.

Defining different profiling intensities can avoid both „under profiling (the description is insufficient for the agreement of specific steps for reintegration) and excessive profiling (diagnostic
input is not warranted).

5. Adapting profiling tools to the customer groups

The role and tools of profiling depend largely on the type of clients the PES have to deal with, which in turn depends on the PES' legal mandate in the respective country and the country's social security system. In the Anglo-Saxon countries (UK, Australia) where the national PES are not only responsible for unemployment insurance customers, but as a „means-tested public employment service“ more general for "welfare customers" (welfare recipients, incapacity benefit recipients etc.) 

profiling is first and foremost a tool for the allocation of resources and related customer streaming.

In continental Europe and Scandinavia where the risk of unemployment is usually covered by an independent insurance of the mutually supportive community type, i.e. is separate from other risks such as illness, incapacity, disability etc., the national PES mainly deal with insurance customers. Means-tested benefit recipients are typically the responsibility of the municipalities. Insurance customers include all qualification categories and usually have more of a potential for self-help, therefore those countries' profiling aims not only at LTU prevention, but also at the development of internet tools to improve the matching based on the "profiles" for the "self-help customer group".

6. Transparency to promote the acceptance of profiling tools

Profiling tools can only be successfully deployed, if they are accepted by all stakeholders: placement officers, jobseekers, and employers. Placement officers will reject the profiling, if they have to fear that this will endanger their jobs or devalue their skills

The risk for jobseekers is that the assignment to risk groups excludes them from services and stigmatizes them in the eyes of the employers. Employers are sceptical that the profiling results will really be suitably detailed to fit their requirements. The Australian experience shows that this scepticism can be dispelled over time during real-life operation (Lipp). Denmark developed the Job Barometer in close cooperation with the placement agents of AMS and the municipalities. In France and the Netherlands the profiling results are made transparent in dialogues with the applicants. The acceptance of profiling seems to increase, if the results seem well founded and understandable both for the jobseekers and the placement agents. Tools like the Job Explorer (NL) and the possibility to compare the jobseeker's profile with those of successful jobseekers or competitors (MyPage, S) might very well make them more receptive for the profiling result, because they have a more realistic view of the position on the labour market and they are provided with information to gain such insight.

7. Looking for strengths, not weaknesses

Risk profiling by itself might over-emphasize the focus on hypothetical positions without fully exploiting actual opportunities on the labour market. When the decision to use labour market policy support is already made at an early stage it may diminish the searching efforts of placement agents and job seekers while at the same time triggering expensive measures (NL). Risk prognosis constitutes a risk. Which point in time is the perfect one to decide on the support to be given is still an open issue (Fric). In future profiling should rather concentrate on discovering hidden talent (Fretz, Alt). For this purpose new concepts and methods need to be developed.

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3 Court decisions prevented the introduction of targeting in Canada for violation of data privacy. Cutting the staff of the placement services had been discussed for the same time for which the introduction of targeting had been planned.
8. Use of jobseeker profiles for better job matching

For modern computer systems the encoding of a wealth of details on the skills and knowledge defined during individual profiling is not a problem. A search profile must no longer be limited to the encoding of the jobseeker's training, the desired occupation or the economic sector. Special expertise, experience and things like social skills can be added. All of these features can be applied in the automatic matching of jobseeker and job profiles to a much larger extent than in the past. This, of course, requires that the vacancy profiles are also captured with more detail. New standards for the description of employer requirements are necessary.

Extended matching will either need new coding systems to describe additional criteria, which must be organized and clustered by themes to be viable in practice and signal correspondence. Or new search algorithms need to be provided which search for key words, consider similarities and indicate the degree of correspondence as e.g. internet search engines do. Some approaches were presented in the form of the VAM (D), Indicate (B) and MyPage (S). The utilization of enhanced jobseeker and vacancy profiles in automatic matching for placement proposals can ease the work load of the placement agent and support the jobseekers in their independent search.

9. Evaluation of profiling tools and concepts

Many of the tools presented are either new, in test or planning phases. The new tools for evaluating customer profiles themselves have as yet hardly been evaluated (Fric). The results after piloting and the experience after a nationwide roll-out need to be evaluated to determine their benefit or weaknesses and apply these findings in the development of the next stages of these tools and policies. Will the new tools support the business processes as desired? Do the placement agents see them as helpful and do they use them? Do they result in a better allocation of resources and a faster and more sustainable integration of the jobless? Might self-information systems result in a new type of marginalization of those jobless people who cannot use them adequately? Do they contribute to avoiding and reducing long-term unemployment? „You need to look at how your profiling fits into the whole process of delivering assistance (R. Lipp)". These questions cannot be finally answered at the moment, if at all.

The PESs are not only looking at the tool's effectiveness (Does the tool deliver?) nowadays, but also increasingly at its efficiency. In contrast to businesses the PES cannot assess efficiency solely according to the standards of business economics; rather such an assessment is a policy issue that needs to consider the social mandate of such a service (final discussion).

Tools and reforms have often been evaluated, but mostly only with regard to a few aspects or during test phases: (Examples: Austria when testing customer segmentation; Australia: JSCI; Switzerland: SAPS in preparation).

10. Good practice exchange

The seminar demonstrated the experts' great need to engage in an exchange of information on concepts and tools for updating the European Employment Services. Employment Services may also gain efficiency by engaging in a mutual exchange of experience (Fric). Especially the new Eastern European Member States used the opportunity to scout for ideas and contacts for their projects. Already during the seminar participants agreed on mutual visits to get a closer look at some tools on a bilateral level and to explore their transferability to the national environment.

The European Commission intends to revive a working group on long-term unemployment at the European level within the network of the Employment Services where the countries' ex-
perience with profiling can be exchanged. A multinational project group has been formed within FAS Ireland. The Commission continues to support transnational projects on the modernization of employment services (Kavanagh).
A follow-up conference in 1 ½ or 2 years was suggested (Walton).

11. How can profiling contribute to mitigating the problem of long-term unemployment?

This was the dominant question during the final discussion and the answers were rather cautious. A partial answer is provided by the fact that several countries now tend to emphasize activation for job search more strongly and to apply preventive labour market policy interventions with more restraint: The tool's general indiscriminate use is seen sceptically, but it is considered useful for clearly defined groups of jobless people that are severely at risk.
The original concept of "Profiling to prevent a person's long-term unemployment" has become secondary to the objective of improving the quality of the placement processes which may indirectly contribute to reducing long-term unemployment: „Profiling for better services”.

The seminar organizers hope that the seminar helped to define the "profiles of suitable tools" for the reform activities of the European Employment Services. Our thanks go to the speakers and participants, the financial sponsors, and the organizers.
6 Literature and References


